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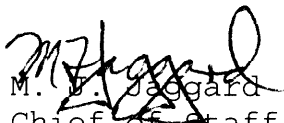
MAY 28 2003

MEMORANDUM FOR DISTRIBUTION

Subj: REMOVAL OF LARGE BUSINESSES FROM PRO-NET

Encl: (1) SBA memorandum dated May 9, 2003

Enclosure (1) is provided for information and action, as appropriate. The United States Small Business Administration (SBA) recently reviewed businesses registered on the Procurement Marketing and Access Network (PRO-Net) and found approximately 600 were not small because they exceed the small business size standards for the industries in which they operate. These businesses, along with 90,000 others whose PRO-Net profile was not current, have been removed from PRO-Net. A list of businesses SBA has found to be "other than small" as a result of a formal size determination can be found at <http://www.sba.gov/size/sizedeterminations.html>.


M. J. Jaggard
Chief of Staff/Policy
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U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

MEMORANDUM

DATE: May 9, 2003

TO: Agency Senior Procurement Executives

FROM: Fred C. Armendariz
Associate Deputy Administrator for
Government Contracting and Business Development

SUBJECT: Removal of Large Businesses from PRO-Net

The U.S. Small Business Administration's (SBA) Procurement Marketing and Access Network (PRO-Net) database is a registry of potential small business sources for contracting officers, a marketing tool for small businesses, and a "link" to procurement opportunities and important information. Businesses submitting information to register on PRO-Net represent that, among other things, the business "...is a small business as defined by Code of Federal Regulations, Title 13, Part 121, as appended;...that all information supplied herein is correct..."

SBA recently reviewed a number of registered businesses and found approximately 600 that were not small, because they exceed the small business size standards for the industries in which they operate. To make PRO-Net more reliable, SBA removed those businesses from the database. SBA also removed an additional 90,000 businesses that had not updated their PRO-Net profile in more than 18 months. SBA is continuing to monitor the information submitted by new registrants and by those updating their profiles.

SBA has been asked to publish a list of those businesses it has removed from PRO-Net because of their size status. We do not believe this is an appropriate action because the review that resulted in their removal from PRO-Net was an informal one. These businesses have the right to request a formal size determination from SBA or to re-register on PRO-Net with current information if it shows they are small. In addition, size status of some businesses may change if their affiliation with other enterprises changes, or as they complete contracts. SBA cannot assure the public of the continued accuracy of a list of business removed from PRO-Net.

Alternatively, SBA listed on its web site the names of businesses that have been found to be "other-than-small" as a result of a formal size determination. That list may be found at <http://www.sba.gov/size/sizedeterminations.html>. A size determination is

Enclosure (1)

based on a formal review of the business' size status using information the business submits to SBA. This information is, we believe, reliable for the Federal contracting community to use. Furthermore, those businesses must request a new formal size determination before they can self-certify as small again.

SBA strongly recommends that contracting officers diligently review an offeror's small business self-certification before awarding a contract. Contracting officers may use PRO-Net employment and revenue data to assess an offeror's self-certification by comparing it to the size standard of the procurement. Along with his or her other knowledge about a business, the contracting officer can should make an informed decision on whether to accept the business' small business self-certification or file a size protest with the SBA. Please note that if a contracting officer receives a size protest of the successful offeror from another interested party, he or she must forward it to SBA. Contracting officers should forward to their Inspector Generals for review any actual or suspected incidents of fraud regarding this matter.

We appreciate your efforts to assist small businesses in Federal contracting and we ask for your help in ensuring businesses accurately certify their size status. If you have any questions on this memorandum, please contact Linda Waters, Acting Assistant Administrator for Contract Assistance, at (202) 205-7315.

cc: Directors, Office of Small and Disadvantaged Business Utilization